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THE STATE OF TEXAS
COUNTY OF HARRIS

Know All Men by These Presents:

MORTGAGE RECORDS

THAT, The undersigned

VIRGILL C. MCGINNIS, TRUSTEE

VOL 5275 PAGE 514
036-21-0556

734

of the County of Harris, and State of Texas, herein styled parties of the first part, in consideration of the sum of TEN DOLLARS paid by party of the second part, hereinafter named, the receipt and sufficiency whereof is hereby acknowledged, and of the further consideration, uses, purposes, and trusts herein set forth and declared, have Granted, Bargained and Sold, and by these presents do Grant, Bargain, Sell, Alien, Convey and Confirm unto O. F. HORN, as Trustee, party of the second part, and also to the Substitute Trustee, as hereinafter provided, all of the following described real estate:

HA

Twenty (20) acres of land out of that certain 190.8 acre tract, in the J. T. Harrell Survey, Abstract 330, Harris County, Texas, and which 190.8 acre tract was conveyed by Edward Shields, et ux, to M. Michael Gordon, et al, by deed dated November 15, 1943, and recorded in Volume 1297, Page 16, of the Deed Records of Harris County, Texas, and which Twenty (20) acre tract is more particularly described as follows:

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BEGINNING at a stake on the North Edge of Market Street Road right of way at the Southeast corner of the G. M. Farmer 80 Acre Tract and the Southwest corner of the said 190.8 acre tract;

THENCE North along the East line of said G. M. Farmer 80 Acre Tract to a 3/4" iron pipe set in the Northerly right of way line of State Highway No. 73, at 377 feet,

THENCE with a curve to the right along said right of way line, with a central angle of 21° 12', and a radius of 1910 feet, a distance of 706.67 feet to end of curve;

THENCE South 62° 55' East with said Northerly right of way line 931.17 feet to an iron pipe and the PLACE OF BEGINNING of the herein described Twenty (20) acre tract;

THENCE North 27° 05' East 740.5 feet to an iron pipe for corner;

THENCE South 62° 55' East 1425.75 feet to an iron pipe set in the West Bank of the San Jacinto River;

THENCE Southerly with the meanders of the West Bank of the San Jacinto River, South 45° 55' West 81.85 feet;

THENCE South 64° 04' West 830.02 feet to an iron pipe set in the Northerly right of way line of State Highway No. 73.

THENCE North 62° 55' West with the Northerly right of way line of State Highway No. 73, 900 feet to the PLACE OF BEGINNING.

50

MORTGAGE RECORDS

VOL 5275 PAGE 515

036-21-0557

Together with all improvements now on, or hereafter placed thereon, and all rights and appurtenances thereto in anywise belonging, and any after acquired title.

TO HAVE AND TO HOLD the said premises unto the said party of the second part, and to his successors and assigns forever; the undersigned hereby covenanting and agreeing to FOREVER WARRANT AND DEFEND the premises aforesaid, and every part thereof, unto the said Trustee hereinbefore named, and to the Substitute Trustee, and to the assigns of any Trustee hereunder, against all persons whomsoever, lawfully claiming or to claim the same or any part thereof, for and upon

the following trusts, terms and conditions, to-wit: That, whereas, said parties of the first part are justly indebted to _____

2. ✓ M. MICHAEL GORDON and FRANK F. SPATA

party of the third part herein, as evidenced by ONE (1) certain promissory note, of even date herewith, executed by the said parties of the first part, and payable to the order of the said party of the third part, in Houston, Harris County, Texas, as follows: Promissory note in the principal sum of \$40,000.00 payable to the order of M. MICHAEL GORDON and FRANK F. SPATA, in Houston, Harris County, Texas, as follows: In quarter-annual installments of ONE THOUSAND (\$1,000.00) DOLLARS each, plus the interest accrued on the unpaid balance at the rate of six (6%) per cent per annum the first of each quarter-annual installments of principal and interest to become due and payable on the 1st day of November, 1965 A.D. and a like installment of principal and interest to become due and payable on the 1st day each and every succeeding calendar months of February, May, August and November thereafter until the full amount of such note, principal and interest, is paid; the whole of such note, if not sooner paid, being due and payable on or before August 1, 1972 A.D.;

Said note is executed without the personal liability on the part of Virgil C. McGinnis.

036-21-0558

And this conveyance is made for the security and enforcement of the payment of said indebtedness.

Now, should the parties of the first part make prompt payment of said indebtedness, both principal and interest, as the same shall become due and payable, then this conveyance shall become null and void and of no further force or effect, and shall be released by the holder of said indebtedness, at the cost of said parties of the first part. But should parties of the first part make default in the punctual payment of said indebtedness, or any part thereof, principal or interest, as the same shall become due and payable, or fail to keep all taxes and assessments paid before they become delinquent on said property and on this mortgage, and on the notes hereby secured, which tax payments on this mortgage and the notes hereby secured, with the interest payments, are not to exceed ten percent per annum on the principal amount of said indebtedness; or fail to keep the improvements on said property insured against fire, and extended coverage in favor of any holder of the indebtedness hereby secured (who shall hold policies of insurance and certificates showing payment of taxes) in the full insurable value of such improvements, or fail to comply with any of the terms, conditions, provisions or stipulations contained in this deed of trust, then, and in any such case, the whole amount of said indebtedness remaining unpaid shall at the option of the party of the third part, or other holder thereof, immediately mature and become payable, and it shall thereupon, or at any time thereafter, the same or any part thereof remaining unpaid, be the duty of the said party of the second part herein, and of his successor or substitute, as hereinafter provided, on the request of the said party of the third part, or other holder of the indebtedness hereby secured, or any part thereof, (which request is hereby presumed), to enforce this Trust; and after advertising the time, place and terms of the sale of all of the above conveyed and described property for at least twenty-two days successively next before the day of sale, by posting up or causing to be posted up written or printed notices thereof at three public places in such county where said real estate is situated, one of which shall be at the Court House door of such county, which notices may be posted by the Trustee acting or by any other person, to sell the same in accordance with such advertisement, at public auction, in front of the door of the Court House of such county where such real estate is situated, in the State of Texas, on the first Tuesday in any month, between the hours of 10 o'clock a. m. and 4 o'clock p. m. to the highest bidder for cash—selling all the property above conveyed as an entirety or in parcels, as the Trustee acting may elect—and make due conveyance to the purchaser or purchasers, with general warranty, binding the said parties of the first part herein, and their heirs and assigns; and out of the money arising from such sale, the Trustee acting shall pay, first, all the expenses of advertising, sale and conveyance, including a commission of five per cent to himself; and then to the said party of the third part, or any other holder hereof, the full amount of principal, interest and attorney's fees due and unpaid on said indebtedness as hereinafter set forth rendering the balance of the purchase money, if any, to the said parties of the first part, their heirs and assigns; and said sale shall forever be a perpetual bar against the said parties of the first part, their heirs and assigns.

It is expressly agreed that the recitals in the conveyance to the purchaser shall be full evidence of the truth of the matters therein stated, and all prerequisites of said sale shall be presumed to have been performed, and such sale and conveyance shall be conclusive against the parties of the first part herein, their heirs and assigns, whether such prerequisites shall have been performed or shall not have been performed. In case of the absence, death, inability, refusal or failure of the Trustee herein named to act, a successor and substitute may be named, constituted and appointed by the said party of the third part herein, or other holder of said indebtedness, or any part thereof, without other formality than an appointment and designation in writing; and this conveyance shall vest in him as Trustee, the estate and title in all said premises, and he shall thereupon hold, possess and execute all the title, rights, powers and duties herein conferred on said Trustee named, and his conveyance to the purchaser shall be equally valid and effective; and such right to appoint a successor or Substitute Trustee shall exist as often as, and whenever from any of said causes, any Trustee, original or substitute, can act or will not act. The party of the third part, or other holder of the indebtedness, shall have the right to purchase at such sale, being the highest bidder. The right of sale hereunder shall not be exhausted by one or any sale, but the Trustee or Substitute Trustee may make other and successive sales until all of the property subject to this deed of trust be legally sold.

It is further expressly stipulated and understood that the lien hereby created shall take precedence over and be a prior lien to any other lien of any character, whether materialman's or mechanic's lien, hereafter incurred on the property herein described.

It is further agreed and stipulated that the security herein and hereby provided shall not affect, nor be affected by, any other or further security taken or to be taken for the same indebtedness, or any part thereof.

In event of any default by parties of the first part in any of the terms, conditions, covenants and stipulations herein contained and/or if the hereinbefore described property becomes vacant, then and in that event the holder of said indebtedness or his agent or the Trustee herein, or the Substitute Trustee hereinbefore provided for, may (at the request of the holder of the whole or any part of the indebtedness hereby secured, which request is hereby presumed) take possession of said property and rent same for such rental as he deems proper, and any moneys actually collected as rental less any proper and reasonable cost and expense of collection shall be applied as a credit on the indebtedness hereby secured, and as further security for the payment of the indebtedness hereby secured, parties of the first part covenant and agree that the holder or holders of the indebtedness secured hereby shall have and are hereby given an express lien on the rents and income of the property herein conveyed, and first parties do hereby assign and transfer said rents and income to the holder or holders of said indebtedness, and authorize the Trustee or the holder or holders of said indebtedness herein, in the event of any default by first parties in any of the terms, conditions, covenants and stipulations herein contained, to collect and use the rents, income and revenue and apply the same as a credit on the indebtedness hereby secured, nothing herein to affect or impair any right of foreclosure, which is hereby expressly reserved. Provided, however, that neither said Trustee or the holder or holders of said indebtedness shall be required to collect any such rent or income or be liable or chargeable for failure to do so.

All moneys actually collected from fire and extended coverage insurance policies on the improvements on the hereinbefore described real property shall be applied as a credit on the indebtedness hereby secured, at the option of the holder or holders of said indebtedness.

In the event that any other or further improvements than those now situated upon the above described property, or which are herein and hereby contemplated to be placed thereon, are erected or attempted to be erected upon the above described property, or in the event that any mechanic, laborer, or materialman, file, or attempt to file, or attempt to claim, any lien on the above described property, then, and in that event, the principal, interest and attorney's fees on the indebtedness hereby secured shall, at the option of the holder or owner thereof, immediately become due and payable by said parties of the first part.

Any holder of any part of the indebtedness hereby secured shall have the option of paying taxes and insurance hereunder and in such event the same so expended shall operate as a lien on the real property herein described and be secured hereby. And any amount so advanced shall be payable on demand and bear interest at the rate of 10 per cent per annum.

036-21-0559

It is expressly stipulated and agreed that parties of the first part shall keep and maintain buildings and improvements on said land in a good state of repair and will not attempt to alter, tear down, or remove the same, or any part thereof, or permit same, or any part thereof, to be altered, torn down, or removed from said premises without the written consent of the holder of the indebtedness hereby secured. A failure to keep and perform this covenant or agreement, or if it should be discovered after the execution and delivery of this instrument, that there is a defect in the title of the parties of the first part to the property herein conveyed, or that there is a lien of any nature whatsoever on the same, or any part thereof, equal or superior in rank to the lien of this instrument, or if a homestead claim is set up to the same, or any part thereof, adverse to this trust, and parties of the first part fail for fifteen (15) days after demand by the Trustee, or by the holder of said indebtedness or any part thereof to correct the defect in such title, or perfect the same, or remove said lien, or homestead claim, or if parties of the first part become insolvent or bankrupt, or make any assignment for benefit of creditors, or a receiver of their property be appointed, then any such default, failure or contingency, shall, at the option of the holder, mature the entire indebtedness hereby secured, and authorize foreclosure by Trustee's sale or otherwise, and the Trustee, or Substitute Trustee, or any holder of the indebtedness hereby secured, or any part thereof, is authorized to prevent any breach of said covenant or agreement, or any part thereof, by injunction or otherwise, at the expense of first parties.

Parties of the first part hereby expressly covenant, warrant and represent that they have never lived upon, used or claimed, and that they do not now live upon, use or claim, and that they have no present intention of ever living upon, using or claiming, any part, or all, of the hereinbefore described property, premises and improvements, or any part thereof, as their residence or business homestead, and they do hereby expressly waive, renounce, and release any and all homestead rights, claims and other exemptions in and to the hereinbefore described property, premises and improvements, which they have, or may be entitled to, in and to said described property, premises and improvements, under and by virtue of the laws and constitution of the State of Texas, and party of the first part hereby designates and sets apart as the only homestead to which they are entitled the property which they are now occupying, described as follows:

It is further agreed that any and all renewals, rearrangements and/or extensions may be made of the time of payment of all or any part or parts of the indebtedness secured hereby, or any part of the security herein described may be released, without in anywise altering, varying, or diminishing, the force, effect or lien of this instrument, or of the renewal or extension of it, and this instrument shall continue as a first lien on all said lands and premises not expressly released until all sums, with interest and charges, hereby secured, are fully paid.

It is further agreed that this instrument shall be and remain in full force and effect to secure the payment of any and all indebtedness of first parties to third party hereinafter incurred, however the same may accrue.

It is further agreed that in the event of a foreclosure under the power granted hereby, the owner in possession of said property shall thereupon become the tenant at will of the purchaser at such foreclosure sale, and should such tenant refuse to surrender possession of said property upon demand, the purchaser shall thereupon be entitled to institute and maintain the statutory action for forcible detainer, and procure a writ of possession thereunder.

In the event any portion of the indebtedness evidenced by the above described notes is not, for any reason, secured by this deed of trust on the above described property, it is expressly stipulated, provided and agreed that the full amount of all payments hereafter made upon said notes shall be first applied to such unsecured portion of said indebtedness until the same has been fully paid.

The promissory note, herein described and secured hereby, is the same note set forth and described in deed, of even date, from Beneficiaries herein to the Grantee herein, and in which deed the Vendor's Lien was retained, and Superior Title reserved to secure its payment. The taking of this Deed of Trust is not in lieu of such Vendor's Lien and Superior Title, but is additional thereto, and cumulative thereof, and a foreclosure under the powers herein granted will operate also to foreclose such Vendor's Lien.

When this Deed of Trust is executed by only one person as party of the First Part, it shall be construed as if parties of the first part were written party of the first part, and words in their number were changed to correspond.

EXECUTED at Houston, in Harris County, Texas, on this the 3 day of AUGUST, A. D. 1965.

Virgill C. McGinnis, Trustee
Virgill C. McGinnis, Trustee